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A CONTINENT MARKING TIME

BY G. W. SIMMONS

Address before the Railway Business Association

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G. W. Simmons, recently returned from Siberia, where as American Red Cross Commissioner he saw governmental and social chaos, result of transportation break-down, presented in this brilliant speech answers by merchants and farmers in every county in the United States to the question asked through his corps of salesmen—whether they are ready to make their essential contribution toward saving their own country from transportation break-down and governmental and social chaos. Requests for copies in designated quantities or for distribution direct to lists can be addressed to the Secretary of the Railway Business Association.

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By G. W. SIMMONS

Vice-President Simmons Hardware Co.

Address Delivered before the Railway Business Association, National Organization of Manufacturing, Mercantile and Engineering Concerns that Deal with Steam Railways, at its Eleventh Annual Dinner, Waldorf-Astoria Hotel, New York, Wednesday Evening, March 31, 1920

AS your Chairman has said, I am comparatively recently back in the hardware business after some two and a half years in Red Cross service, including a considerable time spent in France and more lately in Russia.

I am so "chock-full" of interesting experiences in that wonderful but afflicted country that I feel sure I could interest you far more if I might talk of Russia than by presuming to advise on one of the greatest, if not the most vital, of all of our domestic national questions. In the short time I shall speak, I will refer to but a few of the striking facts about Russia which seem to have a bearing on the subject of our discussion tonight—transportation.

SIBERIAN AND RUSSIAN DISTANCES

FIRST of all, I was impressed with the vast distances involved. I traveled from St. Louis to San Francisco, some 2,500 miles, and then double that distance, or 5,000 miles more, across the Pacific to Vladivostok. Then I was about half way to my destination. I traveled further inland across the Ural Mountains and into European Russia than I did across the waters of the Pacific Ocean. Do you realize that it is further from Petrograd to Vladivostok, across Russia, than it is from Petrograd to Washington, D. C..

across the Atlantic Ocean? Do you realize that Russia is about one-seventh of all the dry land in the world and that we cannot build a fence around it? It is too big.

Therefore, whether we like it or not, we must take cognizance of affairs in that vast country. If we could be assured that its diseases of mind and body—its mental aberrations which are what we call Bolshevism, as well as its horrible plagues of typhus (spotted fever) cholera, black small-pox and other afflictions of pestilence and famine—could be kept within the vast boundaries of Russia, we might well adopt the policy of watchful waiting. Unfortunately for us, however, and for the rest of the world, these scourges of mankind are even now spreading their trail of death and destruction in many directions.

PROBLEM OF FOOD

I FEEL it is hardly safe for me to start talking about our American policy toward Russia, because I might say something uncomplimentary of the Administration; but it certainly does seem to an ordinary business man that we should have been willing to listen to the unanimous opinion of practically all Americans at the scene as to the statement of what facts actually existed and not have insisted on sticking to a policy adopted by those at home

under a misapprehension of fact as later clearly so proven.

Today the great Powers of the World are trying to feed the Russian people through the Bolshevik forces, which is evidently a difficult, if not impossible, task. For at least a year and a half, commencing in the summer of 1918, this could have been easily accomplished by the extension not of military aid, but of economic assistance to the people of Russia through the honest all-Siberian government. Had such action been taken as urged by practically all Americans on the ground, it is my belief that the spread of Bolshevik power would have been largely prevented.

Russia had plenty of food for its entire 180,000,000 population last year, but it was not properly distributed and literally millions died of starvation, while comparatively a short distance away from them was food aplenty; but no transportation existed to bring the food to the starving.

Even Lenin himself realized the vital need of transportation when he said in public: "Bolshevism can never permanently succeed in an agricultural country like Russia." What he meant was that the Russian farmers raised just enough food for their own consumption, but no more. If they attempted to bring any food to market, either they were not paid for it at all or were paid in printing press money which was worthless. If the farmer objected, he was shot on the spot. Therefore, he simply sat on his farm and raised enough for himself and family. No transportation existed by which the government could go to each farmer and gather up the food. Hence the people in the big cities starved to death by tens of thousands every day.

LENINE'S PROPAGANDA

THE rest of Lenin's statement is, to my mind, most significant. He said: "We know that Bolshevism can never permanently succeed in an agricultural country like Russia; but before we fail here, we will have kindled fire throughout the rest of the world that will never be quenched."

That is what they have been doing; and it is for that purpose they have spent much of the two billions of gold that were in the Imperial Russian Treasury when they got hold of it. The doctrine of the abolition of all government and of all private ownership of property, as advocated by Lenin, is today being spread throughout the world by cleverly directed propaganda, the extent of which we do not begin to realize. It is aimed at the government and Constitution of the United States, which the Bolsheviks boast that they will destroy along with all other established governments.

FAILURE OF TRANSPORTATION

THE primary cause of the downfall of the Kolchak government—the only real force opposed to Bolshevism—was the failure of that great artery stretching some 6,000 miles from the Pacific across into Europe and known as the Trans-Siberian Railroad. When this railroad functioned, the people fared comparatively well. When regular train service had almost been suspended, things began to go to pieces. It was at that time that I traveled in a special train for ten weeks, covering some 12,000 miles, and had an opportunity—probably not afforded to any other American—to see almost every phase of the Russian question and particularly the stagnation and chaos which resulted directly from the lack of transportation. Even our own renowned engineer, John F. Stevens, of Panama

anal fame, at the head of the Inter-
- Allied Railroad Commission, was un-
- ble to keep the Trans-Siberian Rail-
- road in operation. It is to me no
- surprise that the Kolchak army
- would disintegrate, when I realized
- that there were last winter about
- 50,000 cases of typhus fever in his
- army of some 600,000, and that much
- of the scanty supplies obtained in
- the East failed to reach him at the
- fighting front in Western Siberia.
- With no drugs, no hospitals, no
- nothing, no manufactured articles of
- any kind, no factories in all of Si-
- beria and no help from the outside
- world, it is small wonder to me that
- Kolchak's army was destroyed. With
- went all hopes of an early over-
- throw of Bolshevism.

AMERICA AND RUSSIA

IT may seem a far cry from Russia
- to America, or to compare the
- Russian railroad with the American
- railroad, yet only a few short years
- ago Schenectady locomotives and
- American Car & Foundry box cars
- and gondolas were running about as
- well on the Trans-Siberian Railroad
- as on any of our American railroads.
- Considering the service it was
- called upon to perform, the Trans-
- Siberian compared creditably with
- great many American roads:
- yet in only a few years of neg-
- lect, with little or no up-keep,
- repairs, maintenance or renewals,
- it broke down entirely. And with
- the stoppage of this great artery
- went the life of that magnificent
- country—endowed by nature with
- unlimited resources and riches upon
- the soil and under the soil, which,
- if transportation were available,
- could in a few years create new
- wealth sufficient to reconstruct all of
- Europe; but without transportation
- these resources are today about as
- worthless as the sands of the Sa-
- hara Desert.

DEVELOPMENT OF OUR WEST

WHEN my father started in the
- hardware business in St. Louis
- there were no railroads west of the
- Mississippi River. Boats on the Mis-
- sissippi River and the now extinct
- prairie schooner carried our mer-
- chandise out beyond the Rain Belt,
- as they called that part of the world
- now known as Kansas.

With the building of the great
- Western Trunk Lines came such
- prosperity and development that
- communities vied with each other in
- offering inducements to the pioneer
- railroad builders to construct a line
- through their particular settlement.
- They wanted railroad service and
- were willing to pay almost any price
- to get it.

I recently made a careful inquiry
- throughout the country to ascertain
- how nearly we are today in a similar
- condition. I wondered whether the
- many parts of the country which are
- today suffering from inadequate
- transportation service would be
- ready to do as our forefathers did
- and make the personal effort and
- sacrifice to get that service, as did
- the early settlers in our Western
- country. I refer not so much to those
- vast stretches of arable land not now
- near enough to a railroad to be cul-
- tivated at a profit, but particularly
- to those cities and agricultural com-
- munities through which pass the
- rails of our great railroad systems.
- I wondered to what extent our peo-
- ple realize that the conflict between
- the public and the railroads during
- the past decade is directly responsi-
- ble for the lack of locomotives and
- freight cars to haul to market crops
- raised by the sweat of the brow of
- the American farmer.

FARMER'S DEPENDENCE ON CAR- - RIAGE

I WONDERED how long it would
- take that farmer to realize that
- it profited him naught to care for his
- stock through winter blizzards and

to plow and cultivate his fields 'neath summer suns, if when his live stock or his grain or other products were ready to market there was no transportation available to carry it to that part of the country where cash buyers were ready to purchase it.

One of our good customers in Idaho asked us to give him an extension of time to pay his indebtedness for merchandise purchased from us. The farmers of his section had raised an enormous crop of magnificent, big, white potatoes. They had not been able to get cars to ship those potatoes to market, and were watching them rot, day by day and week by week, while the market prices in St. Louis and Chicago and other Eastern markets were gradually going down. Our customer assured us that all those farmers were "strong" for an increase in railroad rates if it would give them cars when they were needed.

METHOD OF ASCERTAINING SENTIMENT

THE company with which I am associated has over 500 traveling salesmen, covering practically every county in the United States, each of whom makes his territory every two or four weeks and hence comes to know it intimately. Before we send our salesmen out, we teach them that it is highly important for them to be able to learn intelligently and accurately to read the sentiment of their territory on any great question or to report the actual condition of business or crops in their particular territory whenever we call for it. We must make all of our plans for securing merchandise six months or more in advance. We cannot afford to guess on business conditions which it is possible to forecast. The hardware and general stores in the small towns and villages are the centers of gossip, so to speak, of the men of the com-

munity. When the farmer comes to town, he visits the hardware store while his wife sells her butter and eggs or purchases her dry goods. Our salesmen are instructed not only to cultivate that farmer whom they meet in the store, but also to explain to the merchant himself just what information they are going to ask him for on the next trip, so that he can talk with his customers when they come in and hence have the accurate information.

ELECTION FORECASTS

WE first adopted this method in the summer of 1896, after Bryan had been nominated on the "Free Silver Platform." Thirty-one days before the election, these reports of our salesmen were tabulated and enabled us to predict the exact electoral vote. With the positive knowledge that the gold standard would be maintained, we bought everything in sight and placed orders to run us on a big volume for a year ahead. Since 1896, we have been able to forecast all Presidential elections and, in most cases, to forecast the electoral vote as we did in 1896. I asked our salesmen to report on March 6th on a number of questions. These questions, together with a canvass of the answers, I will present to you in a moment. First let me read you a number of general statements selected from the reports.

Indiana

"People, generally, seem to think present rates ought to bring sufficient revenue to have the roads economically operated. In my presence a railroad employee said that four men were holding positions in the same capacity and had a hard fight to find enough work to keep them out of mischief. He said that all he did was sit in a comfortable chair smoking good cigars, and draw \$26 per month from the public. The remedy is to discharge three of these men, who can easily find employ-

ment elsewhere, and give the \$264 man enough to keep him busy, which in the case of this particular man, he would be glad to get; he wants to be busy. When the workers realize they must produce something these questions will largely adjust themselves."

Louisiana

"Louisiana needs more efficient service, and the people are willing to pay for it if they can get courteous ticket agents, clean stations, sanitary toilets in trains and stations, trains swept when not occupied by passengers."

Minnesota

"Most people are opposed to increased rates, believing private ownership should produce economies sufficient to relieve present conditions. Railroads now have three men to one job, each idle about two-thirds of the time. Before government control, the C. & N. W. ran freight trains from Winona to Waseca—100 miles—in eight hours. Under government 'mismanagement' the division was cut in half—Winona to Rochester (50 miles) in the same eight hours."

Nebraska

"Most people have not given the railroad question much thought. When I discuss it with them, practically everybody agrees we must have better railroad facilities and must expect to pay higher rates. Many farmers now have wheat and corn to market, but no cars to move it. I feel that there will be many 'kicks' on advanced rates until people actually see improved service."

Illinois

"Re-grade idlers now drawing big wages for a few hours per day; pay employees on merit system; restore old-time courtesy; and people will stand by the railroads."

Arkansas, Texas and Idaho

"Railroad train crews squander time in order to draw overtime pay.

They do not care whether freight or passengers ever get over the line. Railroad management might offer a bonus to crews for efficiency and minimum amount of claims."

Maine

"The only people not in favor of returning railroads to owners are army and navy men, who rode at one cent per mile under government operation. People, generally, desire more efficient transportation."

North Carolina

"Many people still indifferent to railroad question, but beginning to think about it. Those who have thought about it are ready to pay higher rates for decent service. Years ago the Southern Railroad was in politics and created many enemies, but in recent years gained thousands of friends by boosting the South. Most people comment on how good this service was, as compared to present government operation."

Tennessee

"In my part of Tennessee, people, generally, look on railroads as something apart from them and know little of railroad operation or finances. They do not realize how dependent they are on railroad transportation. Of course, I do not refer to business men, but believe people, generally, are not interested in railroad investment."

Montana

"Traveling men boast of how many orders they took and the extra town they made that day. Railroad employees boast of how few hours they actually worked the day before and for which they drew eight hours' pay. People around here are sick and tired of that kind of slackers."

QUESTIONNAIRE

THE questionnaire is as follows:
Question 1. Do the people in your section generally approve of

the return of the railroads to private operation?

The answer is almost 100% yes.

Question 2. Are people willing that the railroads should have a "square deal" by which their revenues may be increased in proportion to their advanced expenses?

Question 3. Do the people desire first of all efficient transportation service?

Question 4. Are they willing to pay what this service is fairly worth as determined by the Interstate Commerce Commission?

Question 5. Are they willing to have freight rates advanced in order that the railroads may be able to render efficient service?

YES

YES greatly predominates. The people are willing to grant a square deal, but there is some difference of opinion as to what a square deal really is. Many people feel that railroad rates are now sufficiently high to produce the required revenue if railroad operation is made as efficient as it was before 1914. These expressions are representative of general insistence on the part of the public that the railroads shall produce through economies at least a part of the increased income to meet the necessary requirements. The people generally will accept the decision of the Interstate Commerce Commission as to what adequate service is fairly worth.

Great emphasis is laid on the question of service, in many instances to the extent of "service at any price—but give us service."

In several sections, merchants and business men favor rate advances, but have not yet taken the steps to convert the general public to this idea. In almost every part of the country exists the decided opposi-

tion to any further increase in wages of railroad employees. This sentiment results largely from the experience of the public in seeing the amount of loafing and waste on the part of railroad employees under government administration.

TWO-THIRDS FOR ENLARGED CAPITAL

Question 6. Do the people generally realize that the railroads need immense amounts of money to put them in physical condition to render good transportation service?

About two-thirds of the replies are in the affirmative and one-third in the negative. A few replies indicate that it will be necessary for the railroads to keep the public constantly and fully informed as to the broken-down condition—whether inherited from pre-war or war conditions—which it is their superhuman task to remedy. Here again a number of answers, particularly from the Middle West, indicate that the merchants and other business men realize the facts but have not as yet converted the man in the street and the farmer.

CULTIVATION OF INVESTMENT HABIT

Question 7. Realizing the railroad capital has not increased in recent years, and numbers of cars and locomotives and all other equipment are far below the amount required to render efficient service to the public, are people in your section willing to buy railroad securities—bonds or stocks—to help the railroads thus secure funds for equipment and other capital expenditures?

The majority of replies indicate that to increase the number of people investing in railroad securities will involve skilful and comprehensive work on the part of railway managers and financiers. It will be

for them to convince many citizens that changes in railroad methods and managements on the one hand, and improvement in governmental regulation on the other, are actual and of such character that the people are warranted in looking with greater confidence to railroad issues. It would be advantageous to emphasize early and late that the creation of railroad capitalization is now under the central control of the federal government and that not one share of stock or other security can be issued without government sanction. It would help immensely if the general public could be constantly reminded that the so-called "high finance deals" which have been so severely criticised are things of the past and can now never recur.

In many Southern States, the "noes," almost 100%, indicate how fruitful a field lies before us in cultivating an appreciation of Southern transportation needs and Southern dependence upon railway investment in meeting those needs. There is plenty of money in the South. In no part of the Continental United States does there remain so much to be done in the opening up of rich resources as in the South. Yet you just heard me read a report from Tennessee, a State sorely in need of new mileage, but its people unconvinced that investment in the instrumentality **of their own prosperity** is necessary, or if necessary, a matter **for them** to attend to.

Local crop conditions are clearly reflected in the sentiment on this question. Railroad financiers, like other wholesalers seeking a market, must recognize the fluctuating ability and desire to purchase as local crop and other conditions bring investible income to the various sections of the country. In the South and West people are not at all fa-

miliar with railroad securities and often have a hazy idea of the difference between stocks and bonds. The demonstration that the railroads are being properly and efficiently managed under present private management will go far to enlighten and convince them. The Eastern financier can improve his own knowledge of America at the same time he is extending the market for his securities by educating buyers in those sections which have hitherto not bought such securities.

TWO-THIRDS APPRECIATE VALUE OF SERVICE

Question 8. Do the people generally recognize that efficient transportation even at considerable increased cost to shippers will produce more net profit for users of transportation?

Again the "yes" is in majority—about two to one, which is an exceedingly promising sign. In Indiana 100% of the replies are "yes," while in Texas about 65% are "yes" and in Tennessee about 35%. The realization of the value of efficient service to business seems strongest in the Northern sections of the country and weakest in the South.

MANAGERS' PROBLEM

THE managers of the railroads today are confronted with an exceedingly difficult problem. If they handle it successfully, they may confidently count upon a continuance and strengthening of the present greatly improved public sentiment toward them, both by the wider distribution of railway securities and by sedulous dissemination of the fact that the railroads are not to be financial footballs for Wall Street speculators. A vast number of people in the United States, either as owners of railway securities or otherwise, will be confirmed in a sympathetic attitude.

SUGGESTIONS TO MANAGERS

IN closing, may I make some concrete suggestions:

First to the operating officers and directors of railroads:

Reduce your forces to normal. If you cut out surplus employees and tell the public the plain unvarnished facts the public will be behind you solidly.

Insist on a full day's work for a full day's pay **in the name of all the people** who pay your revenues and who will stand by you if you refuse to permit agitators to continue decreasing the efficiency of the individual worker.

Operate passenger trains on time and restore pre-war courtesy of your employees and their recognition of the rights of the public. This will go far toward encouraging the public in an attitude of patient forbearance toward your great task for which time is inevitably required. A great improvement in punctuality of passenger trains is already noticeable.

Avoid short-sighted mistakes of some railroad managements who are now refusing cars for loading off their lines. While this will eventually be necessary, such action immediately after the return to private control is very dangerous under present conditions. It will likely result in the Interstate Commerce Commission requiring exchange of equipment as under government operation. Railroad managements should accept this condition as a result of government's failure to build sufficient equipment during the last two years. Do not irritate the public in this way and produce results far worse in the long run than any road will suffer from liberal interchange regulations.

Above all, not only give the public a square deal, but let the public know you are doing so. Put all your

cards on the table. Make it clearly understood that you cannot restore normal service immediately. Thus you will gain the patient tolerance of a public which is prone to expect the impossible.

Do not hesitate to tell the public plainly that practically every railroad office was unionized since the government took control, and that merit has not been the measure of promotion; that you have been forced to give the next man in line the job in any vacancy, whether he was fitted for it or not.

Let the public know that you recognize that all extra and needless expense in railroad operation eventually comes out of the pocket of the people as a whole—the vast army of consumers who in the last analysis pay not only the freight, but all the pyramid of increased cost.

Remember that private operation is on trial. If you now make good, the people will willingly pay whatever rates and provide whatever capital may be needed. If you cannot now make good, the Plumb plan or some other form of government ownership is inescapable, in which case, "Good-Bye America."

SUGGESTIONS TO TRANSPORTATION USERS

BUT as a business man, I also have a concrete suggestion for business men, farmers and all other users of transportation.

The Cummins-Esch act has transferred from the carrier to the Interstate Commerce Commission the responsibility for initiating adjustment of railroad revenues to public needs. Whereas in the past the railroads have appealed to the public for help to convince the Interstate Commerce Commission of their needs, this function under the new conditions is also transferred. It now rests with the **users of transportation** and the **consumers** of things transported to study their own transportation needs

and the cost of meeting them; and
then to **volunteer to the Commission**
their ideas of adequacy.

We have been, all of us in the
several communities, too prone to
concern ourselves with getting all
the could out of the transportation
plant and organization as it existed.
For the future, let us perfect our
own organization by providing sys-
tematic mechanism and personnel
for the looking ahead, and let us co-
operate with the railway managers
and financiers so that transportation
be more, as in the former period,
will anticipate rather than lag tardily
behind traffic needs.

LESSON FROM RUSSIA

IN Russia, I saw Bolshevism as an
unrestrained engine of destruc-
tion. In America, I have seen de-
structive criticism of Bolshevism in-
fective because we have been too
easy to offer something better in
its place. We must profit by the
sightful experience of Russia, where
chaos followed the break-down of
transportation facilities, and find
some better way to refute the lies
and false promises of Bolshevik
propaganda, even more than by de-
unciation of it. We must offer to
the American workmen, and Ameri-
can people generally, something con-
structive, something American and
something that will appeal to them
is better to tie up to than the illogi-
cal propaganda of radical agitators.

We must overcome the indiffer-
ence of our citizens to these great
questions. We must teach them that

Americanism means constructive
progress for the benefit of all classes
of our American people; that class
favoritism must cease, regardless of
whether the favored class is of la-
borers, of capitalists, of farmers or
of any other part of the whole. Par-
ticularly must our representatives in
municipal, State and national legis-
lative bodies understand that they
cannot hold their offices unless they
at all times stand for the entire
people.

INDIVIDUAL RESPONSIBILITY

OUR war requirements gave us
an interesting but dangerous ex-
periment with state socialism and
government control of transporta-
tion. We have emerged under a new
law which places the transportation
industry on a safe basis. Let us
not now forget one of the greatest
lessons which the war has taught us
—the duty of every individual citi-
zen to do his full share of the na-
tion's work. Let us not drift back
into our previous selfish attitude of
being so busy with our own indi-
vidual interests and so busy criticis-
ing others that we have forgotten
our own individual responsibility.
Let us continue to emphasize the ne-
cessity that every real American
shall work for his nation on the re-
construction program as he worked
for his nation on the war program.
To do less would brand us as un-
willing to assume the obligations
which always have and always must
accompany the privileges of Ameri-
can citizenship.

